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## THE MINIMUM WAGE AS PART OF A PROGRAM FOR SOCIAL REFORM

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Any program of social reform for wage earners may be analyzed into two parts. One part aims to protect them in the continued enjoyment of their present standards of living. The other endeavors to assist them to advance these standards to ever higher levels. The proposal to establish minimum, or living, rates of wages by law for individuals and classes that are now so unfortunate as to fail to secure them is the link which connects these two parts into a consistent and comprehensive program. It is the logical supplement to protective measures designed to prevent wage-earners from losing ground in their struggle to rear their children to as favorable conditions as they themselves have known. It is the foundation on the basis of which all may be helped to maintain the health, efficiency and surplus energy essential to aggressive efforts on their own part to secure a progressively larger share of the social product.

That many individuals and classes, particularly in our large cities, do not now secure a living wage in return for their labor will I think be universally granted. Girls and women employed in the sweated trades and in department stores suffer especially from the inadequacy of their wages. There are many reasons for the unfavorable situation. Their invasion of the industrial field is still of comparatively recent date. Every year in American cities a larger and larger proportion of them seek gainful employment and the industrial opportunities open to them do not widen rapidly enough to prevent an over-supply in those trades in which they are already employed, with a consequent depression of earnings. Since many of them enter industries with no intention of being permanently employed—marriage and the care of a home and children being the normal goal of the working girl—they have not the incentive to acquire special training which boys have. The great majority, therefore,

present themselves as unskilled workers and compete for those employments for which no special training is necessary. Because of their transient connection with industry they cannot easily be drawn together into effective labor organizations. For them, more than for boys and men, the wages paid are the wages the employers offer, and unfortunately wages below a living level suffice in many industries to attract the needed supply of workers. Finally, their effort to be self-supporting is of so recent origin that a large proportion of them are satisfied if they can merely add something to the family income. They have no definite, independent standard of living and consequently are contented to accept wages that lighten more or less the burden of their support for their fathers or brothers or husbands, but are pitifully inadequate for that increasing number who do not live at home or whose home conditions are such that they must contribute their full share or even more than their full share to the family income if the whole group is to be adequately maintained.

There is no sovereign remedy for this situation. Advocates of the minimum wage who believe that it can be immediately relieved through a government fiat, to the effect that in future all who work for wages shall receive wages on which they can live in health and decency, prejudice their cause by claiming too much for their remedy. The minimum wage can not by itself effect a complete cure. It may serve, however, as a means of marking off sharply from the rest of the industrial army the individuals and classes who cannot earn living wages because their work is not worth a living return to their employers. A community which sets up this standard must at the same time, if it is really to make conditions better, supply the means for making the inefficient efficient, the unskilled skilled, the shiftless and standardless capable and ambitious to command wages on which they can get ahead rather than fall behind. It is my task in this paper less to defend a minimum wage than to show its relation to other needed reforms by whose aid it can be made practicable and beneficent.

Among those other reforms I should put first and foremost plans of social insurance. At present in these United States we are allowing each year thousands and hundreds of thousands of families to go to pieces, economically, socially and morally, because we make no organized social provision for those misfortunes to which wage earners are liable and for which, as our experience constantly proves, they cannot or will not make adequate provision themselves. As regards

one of these misfortunes, industrial accidents, we are happily at last aroused. The demand for adequate systems of workmen's compensation to take the place of our discredited employers' liability law is sweeping over the country like a crusade. When adequate compensation systems are in successful operation all over the United States one fruitful recruiting station for the unskilled and underpaid will be removed. It will no longer be necessary for the widow and children of the worker who is killed at his post, to face suddenly the problem of self-support, to take up in the emergency whatever work offers and by so doing to congest still further the labor markets which are already overcrowded and in which wages are therefore already below a living level. Widows will be allowed to continue to devote themselves to the rearing of their children, a need all the greater when the influence and example of the father are withdrawn from their young lives. Children will be permitted to continue in school to a more advanced age or to take more thought of future rather than of immediate earnings in choosing their employments. At the same time the victims of non-fatal industrial accidents themselves will have improved chances of recovering completely from their disability or of training themselves for some new occupation in which the lost arm, or leg or hand or eye will be less of a handicap on self-support and self-respect.

The examples of Germany and of the United Kingdom show us that their rational and humane treatment of industrial accidents is but a first step in a wide, and for us, new field. Even more serious as a menace to hard-won standards of living are illness and the premature death of the wage-earning head of the family. Through organized illness insurance, obligatory and all embracing, such as Germany has had since 1883 and the United Kingdom is just beginning to have through the national insurance act of 1911, the burden of illness and premature death which now falls with crushing weight on the individuals and families affected can be in part lifted and in part shifted. Under the systems of these countries illness for the wage-earner no longer means income cut off at the very time when necessary expenses are increased by doctor's bills, medicines and special dietary. Instead, on the one hand, part of the previous wages continues to be received by the family, while on the other, organized and systematized machinery for restoring the victim of the illness as quickly as possible to health and full earning capacity is set in opera-

tion. The United Kingdom, as one feature of its illness insurance system, will have a fund of \$5,000,000 a year to spend on hospitals and sanatoria. Germany in consequence of her more prolonged effort has seen the death rate reduced from 10 to each 1,000 wage earners insured in 1888 to only 7.8 to each 1000 in 1907. Neither one of these systems operates perfectly. On the basis of European experience it should be possible for us to introduce a still better system of illness insurance here. But when we do so we shall experience the same beneficial effects as regards relieving the congestion in the unskilled and underpaid labor market that Germany has experienced. There will be fewer widows with young children forced to take up the often impossible task of winning self-support without suffering serious deterioration. The family income, even though it continue small, will be more certain and regular and wise plans for enabling children to prepare for the better paid employments can be hopefully made and confidently carried out. Finally, the victims of illness themselves will be more frequently restored to full health and vigor before they return to work and in consequence there will be fewer human derelicts who do not earn a living wage simply because their work is so half-hearted and inefficient that they are not worth it to their employers.

Having attended to the needs of the victims of accidents and of illness in an organized social way, we shall have next to consider the problem of the men and women who are too old to command a living wage and yet have not the wherewithal on which to live without working. Germany met this problem in 1887 through an extension of her obligatory insurance system to provide for invalidity and old age. The United Kingdom, less wisely most students of the problem believe, met it in 1909 by providing gratuitous old age pensions for persons over seventy who are without living incomes from other sources. A study of the individuals and groups who cannot command living wages in the United States would show that many have passed the age when they ought to be expected to command any wages. We can moralize about the folly of their misspent youth and manhood or the danger of pauperizing such people by assuring them a living income after they reach the age of superannuation, but the simple truth is that in many cases old age poverty is the result, not of personal fault, but of sheer misfortune and that in all cases an organized system of obligatory insurance would provide for the men and women who are entitled by long service to discharge from the industrial

army with negligible injury to them and with enormous benefit not only to them but to the whole community.

Finally we have the misfortune of unemployment. Of all the ills to which wage-earners are liable this is perhaps the most demoralizing and the hardest to cope with through organized social effort. And yet the way which Belgium cites first pointed out has been entered upon by the United Kingdom with good prospect of success. There the first step was the organization of a chain of free employment bureaus connecting the labor markets of every corner of the kingdom into an organized unit designed to bring together, however they might be separated, the man-less job and the job-less man. When the 450 employment exchanges for which provision has already been made are in full operation they are expected to become the regular sources of supply for employers who wish more hands, as they will be the places to which men and women out of work will regularly apply for employment. That this expectation is not visionary is shown by the fact that in the first three months of 1911, when the system was still only partly organized, these exchanges found employment for 63,505 men and boys and 23,290 women and girls. Since distances in the United Kingdom are short these connected labor exchanges, in constant communication with one another, should serve to reduce unemployment to a minimum. Surplus workers in one locality where industries are slack can be diverted to other localities where the opportunities for remunerative employment are better. Moreover, through the data collected and published by these exchanges authoritative information will be for the first time available in reference to the occupations that are chronically over-crowded and the more desirable occupations in which the demand for workers is normally in excess of the supply. Such data may be made the basis of wise plans of industrial and trade education and of vocational guidance.

Equipped with these employment exchanges the bold step was next taken in the national insurance act of 1911 of making insurance against unemployment obligatory for some 2,400,000 employees in certain designated representative industries. Employers in these industries are required to attach 5-penny unemployment insurance stamps, which they buy from the post office, on each weekly pay day to the books which every employee is required to have. One-half of this premium they may deduct from the wages of the employee;

the other they must contribute themselves. From the funds so contributed, to which the government adds an amount equal to one-third of the combined contribution of employers and employees, weekly payments of 7 shillings are made to such of the insured as may be unable to secure employment and continued for a period of not more than fifteen weeks in any year. Frauds against the fund on the part of workers who prefer loafing to working are prevented by means of the public employment bureaus. All workers in receipt of unemployment benefits must be registered with these bureaus. Through them work can always be found for men who are believed to be deliberately loafing at the expense of the fund. Refusal to accept employment at the tendered wages of their accustomed trade becomes a ground for denying them further insurance benefits. As this system came into full operation only on January 15 last, it is too early to declare it a successful device for protecting wage earners from the worst consequences of unemployment—loss of efficiency, of ambition, and of self-respect. There is every indication, however, that it is going to be successful and that through it the United Kingdom has indicated to other countries the method by which they may supply this last and most necessary protection to the standards of living of their wage-earners.

By adopting plans of social insurance the United States would go far toward reducing within manageable limits the number of individuals who because of lack of training, lack of ambition, lost limbs or broken health become incapable of earning living wages. Fewer widows would be forced to neglect the care and training of their children for the sake of that even greater need—bread for them to eat. Fewer children would enter blind-alley employments and more would be deliberately trained for skilled occupations, even though this meant a year or more of industrial or trade training on top of the legally required book training, and correspondingly postponed wage-earning. Finally there would be fewer men and women broken in health or in spirit in consequence of accidents, illness, old age and unemployment, to supply the human fuel without which our sweated industries would be forced to organize on new lines.

As the enumeration of these benefits suggests, the next most important reform to accompany minimum wage regulations would be comprehensive provision for industrial and trade education and for vocational guidance. Starvation wages are due frequently to ex-

plotation, frequently to physical, mental and moral defects in the workers, but most commonly to the fact that the untrained, unambitious and inefficient recipients are not worth living wages to their employers. If organized society is going to decree that in future no worker shall continue to be employed at less than living wages, undoubtedly some of the least efficient and capable will be promptly discharged. To justify the procedure, organized society must at the same time perfect the free public educational system so as to enable boys and girls actually to earn living wages. This cannot be done in a day but every step toward training boys and girls for the work which they are to undertake and guiding them wisely in the choice of their occupations is a step supplemental to a successful minimum wage regulation. Just as there are special schools in the public school system for children who are backward with their books, so there must be developed industrial and trade schools for young persons who are so backward in their work that they cannot command even the minimum wages which the law prescribes. And it will not be enough to provide such schools. Young persons incapable of adequate self support and without independent resources will have to be assisted while they are taking advantage of them. Moreover, if on completing the course they are still unable to earn an adequate living, they will have to be treated as defectives for whom still further measures must be taken. If their defects are of a sort that render them entirely harmless members of the community they may be given licenses to work for less than the minimum wage required for normal persons. If there are reasons for isolating them from contact with others, then they must be sent to farm or industrial colonies where they will be considerably and humanely cared for but under conditions that prevent them from inflicting injury on others. Critics of the minimum wage sometimes speak of this necessity which the plan presents of making special provision for the unemployable as if it were a new problem. It is not a new problem. We already have individuals who are physically or mentally or morally defective and we already try more or less adequately to care for them. The operation of a minimum wage requirement would merely extend the definition of defectives to embrace all individuals, who even after having received special training, remain incapable of adequate self-support. Such persons are already social dependents. The plan merely compels them to stand out clearly in their true character, and enables



them to receive that special consideration which their situation calls for.

One important part of the program with reference to those who are defective from birth is to prevent that monstrous crime against future generations involved in permitting them to become the fathers and mothers of children who must suffer under the same handicap. If we are to maintain a race that is to be made up of capable, efficient and independent individuals and family groups we must courageously cut off lines of heredity that have been proved to be undesirable by isolation or sterilization of the congenitally defective. Michigan has just passed an act requiring the sterilization of congenital idiots. This may seem somewhat remote from the minimum wage but such a policy judiciously extended should make easier the task of each on-coming generation which insists that every individual who is regularly employed in the competitive labor market shall receive at least a living wage for his work. We cannot continue to increase the sums we spend for the care of congenital defectives in consequence of our failure to prevent them from becoming the parents of more congenital defectives without encroaching on the expenditures we ought to make for the better education and training of the normal children of normal citizens.

Next to social insurance and industrial education the measures most needed to supplement minimum wage regulations are protective labor laws of the kind with which we are already quite familiar. Children must be protected from employment until they have attained the physical and mental growth necessary to enable them to stand the strain and the temptations of industrial life. Our progressive states now set the period at which they may begin work at fourteen. As we add facilities for industrial and trade training to our public school system we may well advance it, perhaps to sixteen. After entering industries children must be protected from excessive hours and dangerous employments till they have attained full development. Similar protective measures are needed by women and even by men in trades where they are not able to safe-guard their own interests through organization. All these protective regulations are designed to promote the health and efficiency of the workers benefited, and hence have a direct bearing on their wage-earning capacity. Such protective labor laws try to insure that wage-earners shall carry on their work under conditions favorable to the maintenance

of their health, vigor and efficiency. Both are necessary parts of an adequate program of social reform.

The minimum wage is a plan for making more effective the related measures of social reform that have been described. With their aid it should hasten the time when every man, woman and child who is gainfully employed would receive enough to be independently self-supporting. This does not mean that it will usher in the millenium. The minimum wage is as the phrase implies a bare living wage. Insisting that such a wage be paid to every worker will not directly affect the wages of most workers. In the United States the great majority command living wages already. If they did not the proposal to insist that the underpaid minority should also have such wages would be of doubtful practicability. It is only because the situation of the workers whose earnings are insufficient for his livelihood is exceptional and abnormal that there is reason to believe that organized society might enforce a decree that hereafter this abnormality shall disappear. The enforcement of a minimum wage requirement, therefore, is not going to make any very great or immediate difference in the lot of wage earners generally. Undoubtedly it will help to remedy some of the evils in our present situation that are most heart-rending. That vicious circle of falling strength and inefficiency because of inadequate earnings, and falling earnings because of decreased efficiency, in which many are now involved, will be broken into. The worker will be assured adequate food, clothing and shelter and started on the upward path toward higher efficiency due to better physical and mental health. Also that greatest disgrace of our civilization, prostitution in aid of inadequate wages, will be lessened. The \$8-a-week girl, should the minimum recently adopted by the International Harvester Company for its thousands of girl employees, become the legal standard, has more power to resist the temptations which our cities constantly present than the \$5-a-week girl. Then, too, the sweating system with its attendant evils of unhealthful surroundings, wholesale employment of children and irregularity of employment may be made unprofitable. If all workers had to be paid a living wage a premium would be put on the light and well equipped workshop and factory, and the type of employer who now thrives on the exploitation of helpless women and children would find himself at a disadvantage. These immediate benefits might be expected from a rigidly enforced minimum wage regulation.

More important, however, than these immediate benefits would be the long run influence of the change on the ability of wage-earners to secure better conditions through their own efforts. Protected from the wearing competition of the casual worker and the drifter, wage-earners in every industry would find it easier to organize to demand better conditions. The greater health and vigor of the whole wage-earning population would lead to more persistent and more intelligent participation in all the movements of the day. The tone of our political life would be elevated and invigorated and we should be better able to grapple with those great economic and social problems that concern not only wage earners but all of us. This is the answer to critics of the minimum wage who object that it is merely negative and that it does not go far enough. If it goes far enough to contribute to the health and vigor of the masses of our citizenship, it must react beneficially upon all the important movements of the day. It may not be directly related to the struggle to oust privilege from its strongholds or to shackle monopoly, but it strengthens the hands of those who make this their task by insuring them a more vigorous, independent and intelligent constituency. Thus it is a reform that should appeal to all classes of reformers. It will strengthen the foundation, a vigorous and independent citizenship, on which all must build. On these grounds I commend it to your consideration.